



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director
Finance and Administration

Date: January 6, 2006

Subject: **NOVEMBER MONTHLY FINANCIAL
AND OPERATIONS REPORT**

Attached is the Monthly Financial and Operations Report for the period ending November 30, 2005.

General Fund Revenues

- Our projection for FY06 General Fund revenues is \$3.254 million higher than last month. This is due to an increase in the projection of Sales Tax revenues. The payment received in December, relating to sales in October, was 19.68%, or \$5.27 million higher than the same month last year. The new projection of \$397.8 million assumes that the October payment is a one-time hurricane related event, and that the remaining months will return to the previously budgeted levels.

General Fund Expenditures

- Our projection for FY06 General Fund expenditures is \$734 thousand higher than last month.
- The projection for Police increased \$6.1 million. A revised spending plan has been approved to reprogram previously projected savings to initiatives aimed at increasing police officer presence in the community.
- The projection for General Government has decreased \$5.7 million due to a projected decrease in retiree health benefits costs. The projected FY06 average enrollment for retirees has been reduced to 6,630 from the budgeted average enrollment of 7,183. This is not expected to result in an increase in active employee health benefit costs as the projected FY06 average active employee enrollment has been reduced to 14,142 from the budgeted average enrollment of 14,449.

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of \$130.744 million, which is approximately 9.49% of estimated expenditures less debt service.

Combined Utility System Fund

- The projection for Water Sales is \$5 million higher than last month due to an increase in projected water usage due to lack of rain, and the corresponding increase in usage.
- The projection for Impact Fees is \$1.6 million higher than budget as actual development has been greater than the budgeted level.

Stormwater Fund

- Personnel costs are projected to be \$318 thousand higher than projected last month due to an increase in the number of new hires.
- The projection for supplies has been increased by \$257 thousand due to an increase in the projection for fuel.
- The projection for the Transfer In from the Combined Utility System is \$559 thousand higher than last month due to the increased costs discussed above.

Katrina Aid & Recovery Fund

The Joint Task Force Hurricane Housing Program has begun to phase down. Houston's inventory of multi-family units is now in short supply, and the last housing vouchers were issued in December with the last date for activation and lease signing on January 7th.

Approximately 30,000 housing units were occupied through November 30th with an estimated 115,000 people living in these units. All have been inspected to ensure compliance with HUD standards.

Through November 30th, FEMA has paid \$100.8 million to the City with another \$1.048 million received from private donations. FEMA has approved approximately \$40 million in additional funding, with \$20 million expected to be received in January and the remaining amount in late January or February.

Please let me know if you have any questions.



Judy Gray Johnson, Director